

Message Text

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44

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 DODE-00 PM-04 H-02 L-03

NSC-05 PA-01 PRS-01 SS-15 AGR-05 IGA-02 /091 W

----- 124181

R 061610Z JAN 76

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 2415

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

LIMITED OFFICIAL USE SAN JOSE 0035

GUATEMALA FOR ROCAP

E.O. 11652: N/A

TAGS: EFIN, CS

SUBJECT: BALANCE OF PAYMENTS DATA FOR AID

REF: STATE 275435, SAN JOSE 3933, 4295, 4296, 5214

1. BEGIN LIMITED OFFICIAL USE. THIS MESSAGE CONTAINS
BALANCE OF PAYMENTS DATA REQUESTED BY AID IN FIRST REFTEL.
FULL YEAR DATA FOR 1975 ARE NOT YET AVAILABLE AND THE ESTIMATES
GIVEN, ESPECIALLY ON THE CAPITAL ACCOUNT, MUST BE REGARDED
AS PRELIMINARY. LACKING FIRM DATA FOR 1975, THE EMBASSY
DOES NOT HAVE A FIRM BASE FOR 1976 PROJECTIONS, WHICH
MUST ACCORDINGLY BE CONSIDERED HIGHLY PRELIMINARY. THEY
ARE SUBMITTED AT THIS TIME ONLY TO MEET AID'S DEADLINE.
THE EMBASSY EXPECTS TO MAKE A REVISED BALANCE OF PAYMENTS
PROJECTION FOR 1976 AS SOON AS 1975 FULL YEAR DATA ARE
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AVAILABLE.

2. THE DIFFICULT BALANCE OF PAYMENTS SITUATION THAT COSTA RICA HAS BEEN IN SINCE MID-1974 WILL CONTINUE IN 1976. THE GOVERNMENT, WHICH HAS ALREADY PROCLAIMED 1976 AS A YEAR OF AUSTERITY, WILL CONTINUE ITS ALREADY SEVERE IMPORT RESTRAINT PROGRAM AND IS EXPECTED TO IMPOSE ADDITIONAL MEASURES TO FURTHER INHIBIT THE GROWTH OF IMPORTS. EVEN SO, IT WILL BE DIFFICULT TO HOLD TOTAL IMPORT GROWTH TO THE 12 PERCENT PROJECTED IN THIS MESSAGE, GIVEN THE EXPECTED CONTINUED TREND OF RISING PRICES FOR IMPORTS.

3. EVEN WITH IMPORTS SHARPLY RESTRAINED, THE ESTIMATES IN THIS REPORT SUGGEST THAT COSTA RICA WILL HAVE TO RESORT TO CONTINUED HEAVY BORROWING FROM COMMERCIAL BANKS TO FINANCE CURRENT ACCOUNT DEFICIT THAT IS LIKELY TO BE AS LARGE AS 1975'S AND PERHAPS, AS PROJECTED HEREIN, SLIGHTLY LARGER. NET AUTONOMOUS INFLOWS OF PRIVATE CAPITAL APPEAR LIKELY TO BE LOWER IN 1976 AS INCREASINGLY RIGID CAPITAL CONTROLS TEND TO DISCOURAGE INFLOWS AND ENCOURAGE CAPITAL FLIGHT. END L.O.U.

BEGIN UNCLASSIFIED.

4. THE FOLLOWING ARE THE EMBASSY'S PRELIMINARY ESTIMATES OF COSTA RICA'S BALANCE OF PAYMENTS FOR 1975 AND 1976 COMPARED TO AVAILABLE DATA FOR 1974. THE DATA DO NOT COME FROM ANY ONE SOURCE, BUT ARE DERIVED FROM MANY PIECES OF INFORMATION ASSEMBLED FROM CONVERSATIONS WITH MANY SOURCES.

BALANCE OF PAYMENTS

A. EXPORTS (FOB)	1974	1975	1976
COFFEE: VALUE	PYNWRMI	92.5	132.0
VOLUME (000 MT)	90.1	75.0	80.0
PRICE/KG	\$1.39	\$1.23	\$1.65
BANANAS: VALUE (\$MILLION)	93.8	122.0	122.0
VOLUME (000MT)	1034.9	972	972
PRICE/KG	\$0.09	\$0.125	\$0.125

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BEEF: VALUE (\$MILLION)	34.2	30.6	30.0
VOLUME (000 MT)	28.3	26.4	27.2
PRICE/KG	1.21	\$1.16	\$1.10
SUGAR: VALUE	24.5	47.8	23.8
VOLUME (000 MT)	69.9	67.6	82.0
PRICE/KG	.35	\$0.71	\$0.29

TOTAL EXPORTS:	445	480	550
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B. IMPORTS (CIF)

FOOD GRAINS (WHEAT, CORN,

BEANS): VALUE	43.5	26.2	19.7
VOLUME (000 MT)	132.7	137.0	137.0

PETROLEUM (CRUDE):

VALUE (\$MILLION)	34.7	42	43.5
VOLUME (MILLION BBLs)	2.9	3.5	3.5
PRICE/BBL	\$12.00	\$12.00	\$12.44

TOTAL IMPORTS:	716	720	806
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C. TRADE BALANCE	-271	-240	-256
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NET SERVICES	SG-3.2	-4	-4.8
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NET TRANSFERS	#7.6	#8	#8.4
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DS CURRENT BALANCE	-266.6	-236	-252.4
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E. CAPITAL MOVEMENTS	59.0	116	113.5
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NET OFFICIAL (INCLUDES BORROWING OF STATE ENTERPRISES)
CAPITAL FROM PRIVATE AND PUBLIC SOURCES, MEDIUM AND
LONG TERM.

FROM:

U.S.A.I.D.	5	5.5	5.0
U.S. EXIM	3.2	0	3.0
U.S. PRIVATE INSTS.	30.3	60.4	50.0
DEVELOPMENT BANKS	47.2	31.5	40.0
VENEZUELAN FUND	-	18.6	15.5

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NET PRIVATE CAPITAL	170.5	110	100
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CAPITAL BALANCE	229.5	226	213.5
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F. OVERALL BALANCE	-37.1	-10	-38.9
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IMF OIL FACILITY	#22.5	24	27
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IMF	-	-	-
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G. CHANGE IN RESERVES	-14.6	#14	-11.9
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H. NET RESERVES (YEAR-

END)	38	52	41.1
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5. THE FOLLOWING ARE OTHER STATISTICS REQUESTED FIRST REFTEL:

DEBT SERVICES

EXTERNAL DEBT AMORT.	30.5	47	N.A.
EXTERNAL DEBT INTEREST	20.6	29	N.A.

GOV'T DEBT (AS OF MAY 31)

EXTERNAL	91.3	125.3	N.A.
INTERNAL	224.2	322.0	N.A.

GDP (CURRENT PRICES)	\$1.5 BILLION	1.9 BILLION	N.A.
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GDP (CONSTANT 1966

PRICES)	\$0.8 BILLION	0.8 BILLION	N.A.
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IMPLICIT GDP DEFLATOR	26	23	N.A.
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REAL GDP GROWTH RATE	4.3 PERCENT	1 PERCENT	N.A.
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END UNCLASSIFIED

TODMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Disposition Remarks:
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Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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To: STATE
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